

THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

STAFF REPORT

Of the

ACCOUNTING DEPARTMENT

And

UTILITIES DEPARTMENT

DOCKET NO. 1999-002-E

SOUTH CAROLINA ELECTRIC & GAS COMPANY

REPORT OF ACCOUNTING DEPARTMENT
THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

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REPORT OF ACCOUNTING DEPARTMENT

DOCKET NO. 1999-002-E

SOUTH CAROLINA ELECTRIC & GAS COMPANY

INTRODUCTION

The Accounting Department Staff has made an examination of the books and records of South Carolina Electric & Gas Company, Columbia, South Carolina, relative to the Commission's requirement under Docket No. 1999-002-E, that periodic hearings be conducted before the Commission concerning the Adjustment of Base Rates for Fuel Costs.

CURRENT REVIEW PERIOD

The current examination of South Carolina Electric & Gas Company's retail Fuel Adjustment Clause covered the period of March 1998 through April 1999.

However, since the current hearing is scheduled for April 1999, Staff's audit work did not include any testing for the months of March and April 1999. The amounts of (over)/under-recovery for March 1999 and April 1999 were estimated for the purpose of adjusting base rates effective May 1, 1999. The estimates will be trued-up at South Carolina Electric & Gas Company's next hearing.

SCOPE OF EXAMINATION

The Commission's Accounting Department's examination consisted of the following:

1. Analysis of Account #151 – Fuel Stock
2. Sample of Receipts to the Fuel Stock Account – Account # 151
3. Verification of Charges to Nuclear Fuel Expense – Account # 518
4. Verification of Purchased Power & Interchange
5. Verification of KWH Sales
6. Analysis of Spot Coal Purchasing Procedures
7. Review of the CSX Transportation Settlement Agreement
8. Recomputation of Fuel Costs Adjustment Factor, Verification of Unbilled Revenue
9. Recomputation of True-up for (Over)Under-Recovered Fuel Costs
10. Details of Fuel Costs

ANALYSIS OF ACCOUNT # 151 – FUEL STOCK

Staff's analysis of the Fuel Stock Account consisted of tracing receipts to and issues from the fuel management system to the General Ledger, reviewing monthly journal entries originating in fuel accounting, and ensuring that only proper charges are entered in the Company's computation of fuel costs for purposes of adjusting base rates for fuel costs.

SAMPLE OF RECEIPTS TO THE FUEL STOCK ACCOUNT –

ACCOUNT # 151

Staff's sample of receipts to the Fuel Stock Account consisted of randomly selecting transactions, tracing each of these transactions to a waybill and a purchase order for documentation purposes, and recalculating the transactions to insure mathematical correctness.

VERIFICATION OF CHARGES TO NUCLEAR FUEL EXPENSE –

ACCOUNT # 518

The Staff traced the expense amounts for nuclear fuel to the books and records for the period March 1998 through February 1999.

VERIFICATION OF PURCHASED POWER AND INTERCHANGE

Staff verified the Company's Purchased and Interchange Power Fuel Costs to summary sheets provided to the Company's Accounting Department by the Company's Operations Department. Fuel costs and KWH purchases and sales for the months of March 1998 through February 1999 were also traced to monthly invoices.

VERIFICATION OF KWH SALES

The Staff verified total system sales as filed in the monthly factor computation for the months of March 1998 through February 1999. This monthly figure was then used to determine the fuel cost per KWH sold.

ANALYSIS OF SPOT COAL PURCHASING PROCEDURES

The Accounting Staff examined the procedure followed by the Company's fuel supply section for obtaining and accepting bids on spot coal. To achieve

this, Staff chose to examine two months of the audit period in which several spot coal bids were received. Staff examined spot coal bids received in the months of March and September 1998.

The fossil fuel supply section maintains a list of coal vendors from whom bids are solicited. South Carolina Electric & Gas mails each of these coal vendors a letter which states the necessary requirements for the coal the Company seeks, and the information needed concerning the coal producer and the fuel representatives' quality standards. The fuel representatives bargain over the price of the coal, and either accept or reject the coal vendor's offer. The Company's fuel representatives determine the current market price for spot coal prior to contacting the coal vendors about their bids. In this way, the fuel representatives determine the limits which should be observed when bargaining for coal. The fuel representatives consider at least three factors when accepting spot coal bids: the price per ton (including freight), the BTU content of the coal offered, and the past experience with the coal obtained from the producer. The Company normally requires all bids to be made in writing, but telephone bids are often received. However, South Carolina Electric & Gas Company requests that all telephone bids be confirmed by a subsequent letter.

Upon acceptance of a bid, South Carolina Electric & Gas Company prepares a confirming order, a copy of which is mailed to the coal vendor. When the coal is received at the plant, the Company analyzes the coal for moisture, ash, sulfur, and BTU content and prepares an analysis report which is sent to the fuel supply section. The appropriate quality premium or penalty on the coal

purchased is determined, and the results are forwarded to the Company's Accounting Section, which in turn, adds a premium or assesses a penalty to the total amount due to the coal vendor.

The fuel supply section closely monitors the quality of coal shipped by the various producers. If less than guaranteed performance is rendered by a certain producer, the fuel representative accesses this information and considers this when analyzing any future offers received from the supplier.

As previously mentioned, Staff examined spot coal bids received in the months of March and September 1998. The examination included reviewing any bids accepted and following the bargaining procedure on each bid.

During March 1998, out of approximately thirteen bids, the Company accepted three offers. During September 1998, out of eight bids, the Company accepted one offer.

The total spot coal tons purchased for the period March 1998 through February 1999 were approximately 640,000 tons.

REVIEW OF THE CSX TRANSPORTATION SETTLEMENT AGREEMENT

PSC Order No. 98-209, Docket No. 98-115-E, dated March 19, 1998, granted South Carolina Electric & Gas Company's (SCE&G or the Company) request for a Commission accounting order which would give SCE&G authorization to defer and to amortize a one-time payment incurred by the Company as the result of a Settlement Agreement, dated January 28, 1998, between SCE&G and CSX Transportation, Inc. CSX Transportation is one of the railroads that delivers coal to the Company's steam production facilities. The

agreement calls for the Company to make a one-time payment to the railroad. In return, the Company has received reductions in coal freight rates, decreased minimum tonnage requirements and certain other favorable financial and operating concessions that provide savings substantially in excess of the one-time payment, according to SCE&G. By agreement of the parties and Order of the U.S. District Court, the specific terms of the agreement are confidential.

The Company proposed that it be allowed to defer the one-time payment by charging Account No. 182.3 – Other Regulatory Assets. The balance in Account No. 182.3 would be amortized monthly to Account No. 501 – Fuel Expense in an amount equal to the savings realized through deliveries of coal at the reduced freight rates. It is expected that this balance would be written off in approximately three years, after which time the reductions in freight rates would serve to reduce ongoing fuel costs. Meanwhile, according to the Company, the savings derived from other provisions of the agreement, such as those resulting from decreased minimum tonnage requirements, will be immediately reflected in lower fuel costs and, thereby, provide benefits to customers currently.

During this audit review period of the Company's fuel adjustment clause, March 1998 through February 1999, Staff reviewed the freight savings, and thereby, the amortized amounts, by comparing the original CSX Transportation contract freight rates to the revised Settlement Agreement freight rates. Staff applied the difference between the rates to the applicable railroad coal tonnage deliveries. The amortized amount (freight savings) booked as of February 1999 to Account No. 501 totaled \$8,356,163.37.

RECOMPUTATION OF FUEL COSTS ADJUSTMENT FACTOR AND VERIFICATION OF UNBILLED REVENUE

The Accounting Staff has recomputed the fuel adjustment factor utilizing information obtained from the Company's records.

With reference to fuel cost, Staff verified the Total Fuel Costs for the months of March 1998 through February 1999, to the Company's books and records.

In recomputing the factor, Staff has divided the Total Cost of Fuel Burned by Total System Sales to arrive at fuel costs per KWH sales. The base fuel cost per KWH, included in the base rates, is then subtracted from the fuel cost per KWH sales and the resulting figure represents the fuel cost adjustment above or below base per KWH sales. The South Carolina Retail Jurisdictional KWH deferrals were checked to the Company's records. The actual Unbilled Revenue for each month was verified to the Company's Detailed Ledger.

RECOMPUTATION OF TRUE-UP FOR (OVER) UNDER-RECOVERED FUEL COSTS

Staff analyzed the cumulative under-recovery of fuel costs that the Company had incurred for the period March 1998 through February 1999, which totaled \$1,303,094. Staff added the projected over-recovery of \$744,600 for the month of March 1999 and the projected under-recovery of \$2,747,920 for April 1999 to arrive at a cumulative under-recovery of \$3,306,414. The Company's

cumulative under-recovery as of April 1999, per its testimony in Docket No. 1999-002-E, totals \$3,293,681. The difference between the Company's and the Staff's cumulative under-recovery totals \$12,733. This difference is based on corrections Staff reflected in the Company's Purchased and Interchange Power Fuel Costs (for March 1998, April 1998 and November 1998), per Staff's report. Staff's Exhibit H, Computation of Unbilled Revenue, which consists of two pages, provides detailed explanations for this cumulative under-recovery difference of \$12,733. It should be noted that the Company will true-up this difference, on a per books basis, by the next fuel review period.

As stated in South Carolina Electric & Gas Company's Adjustment for Fuel Costs, fuel costs will be included in base rates to the extent determined reasonable and proper by the Commission.

Accordingly, the Commission should consider the under-recovery of \$3,306,414 along with the anticipated fuel costs for the period May 1, 1999 through April 30, 2000, for the purpose of determining the base cost of fuel in base rates effective May 1, 1999. This \$3,306,414 under-recovery figure was provided to the Commission's Utilities Department.

DETAILS OF FUEL COSTS

Details of fuel costs are shown in Exhibits A-H.

RESULTS OF EXAMINATION

Based on the Accounting Staff's examination of South Carolina Electric & Gas Company's books and records, and the utilization of the fuel costs recovery

mechanism as directed by this Commission, the Accounting Department is of the opinion that the Company has complied with the directives of the Commission.

EXHIBITS

Exhibits relative to this report are identified as follows:

EXHIBIT A: FOSSIL FUEL STOCK REPORT

This exhibit reflects the beginning inventory, receipts, issues and ending inventory by type of fuel for March 1998 through February 1999.

EXHIBIT B: RECEIVED COAL-COST PER TON (PER PLANT)

This exhibit shows the received cost per ton for coal at each plant for the period of time from March 1998 through February 1999, in dollars per ton including freight costs.

EXHIBIT C: TOTAL RECEIVED AND WEIGHTED AVERAGE COST

This exhibit reflects the total cost for the period March 1998 through February 1999, for the four types of fossil fuel: coal, # 2 oil, propane and natural gas. The Staff has also computed the weighted average cost of each type of fuel.

EXHIBIT D: RECEIVED COAL – COST PER TON COMPARISON

This exhibit reflects the received cost per ton for coal at each period of time from March 1998 through February 1999 for South Carolina Electric & Gas Company, Duke Power Company, and Carolina Power & Light Company. The Staff has shown for comparison purposes, the invoice cost per ton, freight cost per ton, total cost per ton and the cost per MBTU.

EXHIBIT E: BURNED COST-CONSUMED GENERATION

This exhibit reflects the per book cost of burned fuel, as adjusted by Staff, which was used for generation for the period March 1998 through February 1999. The burned cost of each class of fuel is separated and the percentage of total burned computed for each type.

EXHIBIT F: COST OF FUEL

The cost of fuel for the period March 1998 through February 1999 is shown in this exhibit.

EXHIBIT G: FACTOR COMPUTATION

This exhibit reflects the actual computation of the fuel adjustment factor for the period March 1998 through February 1999.

EXHIBIT H: COMPUTATION OF UNBILLED REVENUE

This exhibit reflects the computation of the unbilled revenue at April 30, 1999. The balance amounts to an under-recovery of \$3,306,414. This balance represents the difference between actual (with two months estimated) total fuel costs and unbilled fuel costs for the Company's retail customers for the period.

South Carolina Electric & Gas Company
Fossil Fuel Stock Report
March 1998-February 1999

Month	Description	Beginning Inventory	Receipts	Issues	Ending Inventory	Number of Days Supply
Mar-98	Coal-Tons	720,380	572,477	433,467	859,390	62
	#2 Oil-Gal	2,703,789	678,540	730,943	2,651,386	
	Gas-MCF	0	28,150	28,150	0	
	Propane - Gal	445	470	520	395	
Apr-98	Coal-Tons	859,390	488,210	368,693	978,907	59
	#2 Oil-Gal	2,651,386	148,986	313,419	2,486,953	
	Gas-MCF	0	17,022	17,022	0	
	Propane - Gal	395	550	395	550	
May-98	Coal-Tons	978,907	494,909	511,673	962,143	53
	#2 Oil-Gal	2,486,953	654,294	613,857	2,527,390	
	Gas-MCF	0	357,295	357,295	0	
	Propane - Gal	550	483	628	405	
Jun-98	Coal-Tons	962,143	573,165	634,496	900,812	49
	#2 Oil-Gal	2,527,390	383,067	249,125	2,661,332	
	Gas-MCF	0	601,567	601,567	0	
	Propane - Gal	405	545	135	815	
Jul-98	Coal-Tons	900,812	485,668	644,365	742,115	42
	#2 Oil-Gal	2,661,332	259,078	338,964	2,581,446	
	Gas-MCF	0	507,214	507,214	0	
	Propane - Gal	815	0	410	405	
Aug-98	Coal-Tons	742,115	531,485	648,435	625,165	41
	#2 Oil-Gal	2,581,446	157,396	217,048	2,521,794	
	Gas-MCF	0	376,321	376,321	0	
	Propane - Gal	405	460	135	730	

Accounting Exhibit A
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South Carolina Electric & Gas Company
Fossil Fuel Stock Report
March 1998-February 1999

Month	Description	Beginning Inventory	Receipts	Issues	Ending Inventory	Number of Days Supply
Sep-98	Coal-Tons	625,165	504,714	562,543	567,336	44
	#2 Oil-Gal	2,521,794	375,633	303,687	2,593,740	
	Gas-MCF	0	238,970	238,970	0	
	Propane - Gal	730	0	235	495	
Oct-98	Coal-Tons	567,336	578,159	418,023	727,472	55
	#2 Oil-Gal	2,593,740	114,001	110,261	2,597,480	
	Gas-MCF	0	29,070	29,070	0	
	Propane - Gal	495	470	280	685	
Nov-98	Coal-Tons	727,472	486,989	353,379	861,082	63
	#2 Oil-Gal	2,597,480	476,185	570,235	2,503,430	
	Gas-MCF	0	19,753	19,753	0	
	Propane - Gal	685	0	150	535	
Dec-98	Coal-Tons	861,082	492,724	345,492	1,008,314	68
	#2 Oil-Gal	2,503,430	763,230	658,039	2,608,621	
	Gas-MCF	0	4,182	4,182	0	
	Propane - Gal	535	555	295	795	
Jan-99	Coal-Tons	1,008,314	576,248	482,355	1,102,207	74
	#2 Oil-Gal	2,608,621	1,263,750	955,140	2,917,231	
	Gas-MCF	0	8,086	8,086	0	
	Propane - Gal	795	0	120	675	
Feb-99	Coal-Tons	1,102,207	553,024	410,771	1,244,460	78
	#2 Oil-Gal	2,917,231	103,388	128,792	2,891,827	
	Gas-MCF	0	15,604	15,604	0	
	Propane - Gal	675	0	105	570	

Accounting Exhibit B

South Carolina Electric & Gas Company
Received Coal-Cost Per Ton (Per Plant)
March 1998-February 1999

Plant	Mar-98	Apr-98	May-98	Jun-98	Jul-98	Aug-98	Sep-98	Oct-98	Nov-98	Dec-98	Jan-99	Feb-99
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Canadys	37.94	37.28	39.62	38.76	38.76	40.55	38.93	38.28	37.69	38.91	0	38.89
Cope	37.39	37.01	36.75	37.34	0	35.60	35.95	38.43	38.91	36.94	38.83	36.21
McMeekin	37.60	39.85	39.51	39.43	38.84	39.37	39.81	40.68	39.37	39.15	38.84	38.78
SRS/D Area	41.17	49.91	41.46	39.50	66.48	32.78	40.18	39.04	51.92	42.42	27.45	0
Urquhart	44.33	39.37	39.64	40.37	40.41	39.93	42.36	40.31	39.04	39.24	40.09	40.08
Wateree	37.86	37.48	35.75	35.70	36.49	37.89	36.47	35.80	36.00	40.23	36.45	36.99
Williams	38.79	39.96	39.24	39.14	39.75	40.06	38.94	39.21	43.94	39.28	37.38	39.18
Total System	38.23	38.39	38.16	38.06	38.43	38.28	38.03	37.76	38.63	39.10	37.79	38.06

Accounting Exhibit C

South Carolina Electric & Gas Company
Total Received and Weighted Average Cost
March 1998-February 1999

Month	Coal Tons	Coal \$	#2 Oil Gal	#2 Oil \$	Propane Gal	Propane \$	MCE	Gas \$	Total Received Cost \$
Mar-98	572,477	21,886,579	678,540	338,097	470	292	28,150	104,620	22,329,588
Apr-98	488,210	18,743,303	148,986	78,785	550	342	17,022	58,812	18,881,242
May-98	494,909	18,884,527	654,294	333,260	483	302	357,295	1,190,975	20,409,064
Jun-98	573,165	21,817,381	383,067	178,862	545	328	601,567	2,121,935	24,118,506
Jul-98	485,668	18,662,219	259,078	114,989	0	0	507,214	1,838,421	20,615,629
Aug-98	531,485	20,345,987	157,396	69,989	460	267	376,321	1,308,701	21,724,944
Sep-98	504,714	19,195,055	375,633	170,078	0	0	238,970	734,713	20,099,846
Oct-98	578,159	21,833,847	114,001	54,107	470	279	29,070	122,954	22,011,187
Nov-98	486,989	18,813,617	476,185	205,746	0	0	19,753	73,644	19,093,007
Dec-98	492,724	19,266,407	763,230	294,765	555	312	4,182	18,507	19,579,991
Jan-99	576,248	21,775,737	1,263,750	497,392	0	0	8,086	28,104	22,301,233
Feb-99	553,024	21,049,022	103,388	37,755	0	0	15,604	48,656	21,135,433
Total	6,337,772	242,273,681	5,377,548	2,373,825	3,533	2,122	2,203,234	7,650,042	252,299,670

3.47

0.60

0.44

38.23

Weighted Average

South Carolina Electric & Gas Company
Received Coal-Cost Per Ton Comparison
March 1998-February 1999

<u>South Carolina Electric & Gas Company</u>				
	<u>Invoice Cost</u>	<u>Freight Cost</u>	<u>Total Cost Per</u>	
<u>Month</u>	<u>Per Ton</u>	<u>Per Ton</u>	<u>Ton</u>	<u>Cost Per MBTU</u>
	\$	\$	\$	\$
Mar-98	(1)	(1)	38.23	1.4988
Apr-98	25.20	13.19	38.39	1.5000
May-98	25.19	12.97	38.16	1.5007
Jun-98	(1)	(1)	38.06	1.4932
Jul-98	(1)	(1)	38.43	1.5095
Aug-98	(1)	(1)	38.28	1.5214
Sep-98	(1)	(1)	38.03	1.5070
Oct-98	(1)	(1)	37.76	1.4885
Nov-98	(1)	(1)	38.63	1.5194
Dec-98	(1)	(1)	39.10	1.5323
Jan-99	(1)	(1)	37.79	1.4981
Feb-99	(1)	(1)	38.06	1.5006

<u>Duke Power Company</u>				
	<u>Invoice Cost</u>	<u>Freight Cost</u>	<u>Total Cost Per</u>	
<u>Month</u>	<u>Per Ton</u>	<u>Per Ton</u>	<u>Ton</u>	<u>Cost Per MBTU</u>
	\$	\$	\$	\$
Mar-98	25.75	9.24	34.99	1.4085
Apr-98	26.25	9.28	35.53	1.4437
May-98	25.23	9.60	34.83	1.4105
Jun-98	24.97	9.91	34.88	1.4073
Jul-98	25.13	9.75	34.88	1.4014
Aug-98	25.17	9.49	34.66	1.3865
Sep-98	25.77	9.52	35.29	1.4085
Oct-98	25.86	9.62	35.48	1.4188
Nov-98	25.76	9.52	35.28	1.4124
Dec-98	25.42	9.51	34.93	1.3995
Jan-99	26.78	9.31	36.09	1.4481
Feb-99	24.85	9.23	34.08	1.3668

<u>Carolina Power & Light Company</u>				
	<u>Invoice Cost</u>	<u>Freight Cost</u>	<u>Total Cost Per</u>	
<u>Month</u>	<u>Per Ton</u>	<u>Per Ton</u>	<u>Ton</u>	<u>Cost Per MBTU</u>
	\$	\$	\$	\$
Mar-98	36.47	11.65	48.12	1.9482
Apr-98	30.84	10.64	41.48	1.6758
May-98	28.99	10.52	39.51	1.6073
Jun-98	33.15	10.57	43.72	1.7826
Jul-98	34.93	11.58	46.51	1.8742
Aug-98	30.62	9.74	40.36	1.6320
Sep-98	29.15	10.89	40.04	1.6076
Oct-98	30.27	10.72	40.99	1.6537
Nov-98	29.24	8.25	37.49	1.5142
Dec-98	33.82	9.15	42.97	1.7507
Jan-99	30.06	10.78	40.84	1.6417
Feb-99	30.88	10.68	41.56	1.6622

(1) These SCE&G costs, which were not readily available, will be provided at the fuel hearing.

Accounting Exhibit E

South Carolina Electric & Gas Company
Burned Cost-Consumed Generation
March 1998-February 1999

Month	Coal		#2 Oil		Propane		Gas		Nuclear		Total Burned	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
Mar-98	11,409,952	80.50%	436,968	3.08%	159	0	104,125	0.73%	2,223,445	15.69%	14,174,649	
Apr-98	10,939,360	82.39%	116,037	0.87%	141	0	54,030	0.41%	2,168,618	16.33%	13,278,186	
May-98	14,219,710	79.85%	159,407	0.90%	238	0	1,190,630	6.69%	2,237,443	12.56%	17,807,428	
Jun-98	18,024,847	80.38%	106,008	0.47%	57	0	2,121,717	9.46%	2,172,869	9.69%	22,425,498	
Jul-98	18,992,258	82.19%	129,645	0.56%	167	0	1,838,007	7.95%	2,148,276	9.30%	23,108,353	
Aug-98	19,371,527	83.36%	65,081	0.28%	53	0	1,308,093	5.63%	2,493,363	10.73%	23,238,117	
Sep-98	17,371,976	85.15%	119,590	0.59%	99	0	734,428	3.60%	2,174,805	10.66%	20,400,898	
Oct-98	16,304,277	87.09%	43,034	0.23%	117	0	122,912	0.66%	2,251,447	12.02%	18,721,787	
Nov-98	13,943,656	84.75%	256,905	1.56%	56	0	72,436	0.44%	2,179,625	13.25%	16,452,678	
Dec-98	9,084,646	79.92%	78,294	0.69%	98	0	9,556	0.08%	2,194,408	19.31%	11,367,002	
Jan-99	13,646,349	83.87%	392,364	2.41%	35	0	17,680	0.11%	2,214,620	13.61%	16,271,048	
Feb-99	11,275,546	84.39%	24,840	0.18%	35	0	42,409	0.32%	2,018,591	15.11%	13,361,421	
Totals	174,584,104	82.90%	1,928,173	0.91%	1,255	0	7,616,023	3.62%	26,477,510	12.57%	210,607,065	

Accounting Exhibit F

South Carolina Electric & Gas Company
Cost of Fuel
March 1998-February 1999

Month	<u>Total Cost of</u>	<u>Purchased and</u>	<u>Fuel Cost</u>	<u>Total Fuel Cost</u>
	<u>Fuel Burned</u>	<u>Interchange</u>	<u>Recovered</u>	
	\$	Power Fuel	Intersystem	
		Cost	Sales	
	\$	\$	\$	\$
Mar-98	14,174,649	5,996,117	(1,283,222)	18,887,544
Apr-98	13,278,186	3,580,446	(1,142,259)	15,716,373
May-98	17,807,428	6,455,127	(2,234,339)	22,028,216
Jun-98	22,425,498	7,083,215	(2,081,635)	27,427,078
Jul-98	23,108,353	8,584,537	(909,046)	30,783,844
Aug-98	23,238,117	6,830,750	(2,008,301)	28,060,566
Sep-98	20,400,898	5,621,791	(2,535,548)	23,487,141
Oct-98	18,721,787	1,546,061	(474,448)	19,793,400
Nov-98	16,452,678	1,611,311	(286,111)	17,777,878
Dec-98	11,367,002	2,909,622	(1,222,391)	13,054,233
Jan-99	16,271,048	5,789,571	(1,618,670)	20,441,949
Feb-99	13,361,421	5,211,769	(896,784)	17,676,406
Totals	210,607,065	61,220,317	(16,692,754)	255,134,628

South Carolina Electric & Gas Company
Factor Computation
March 1998-February 1999

Month	Total Fuel Costs	Total System		Fuel Cost per KWH Sales	Base Cost Per KWH Included in Rates	Fuel Adjustments Per KWH
		Sales	Excluding Sales			
	\$	KWH		\$/KWH	\$/KWH	\$/KWH
Mar-98	18,887,544	1,437,071,282		0.013143	0.01285	0.00029
Apr-98	15,716,373	1,367,134,841		0.011496	0.01285	(0.00135)
May-98	22,028,216	1,413,871,047		0.015580	0.01285	0.00273
Jun-98	27,427,078	1,818,080,064		0.015086	0.01285	0.00224
Jul-98	30,783,844	2,107,653,190		0.014606	0.01285	0.00176
Aug-98	28,060,566	2,020,653,219		0.013887	0.01285	0.00104
Sep-98	23,487,141	1,950,290,949		0.012043	0.01285	(0.00081)
Oct-98	19,793,400	1,622,531,709		0.012199	0.01285	(0.00065)
Nov-98	17,777,878	1,422,106,055		0.012501	0.01285	(0.00035)
Dec-98	13,054,233	1,384,433,134		0.009429	0.01285	(0.00342)
Jan-99	20,441,949	1,708,800,335		0.011963	0.01285	(0.00089)
Feb-99	17,676,406	1,353,370,833		0.013061	0.01285	0.00021

South Carolina Electric & Gas Company
Computation of Unbilled Revenue
March 1998 - April 1999

	ACTUAL					
	March 1998	April 1998	May 1998	June 1998	July 1998	August 1998
Fossil Fuel Burned	11,951,204	11,109,568	15,569,985	20,252,629	20,960,077	20,744,754
Nuclear	2,223,445	2,168,618	2,237,443	2,172,869	2,148,276	2,493,363
Purchase & Interchange Power (2)	5,996,117	3,580,446	6,455,127	7,083,215	8,584,537	6,830,750
Sub-total	20,170,766	16,858,632	24,262,555	29,508,713	31,692,890	30,068,867
Less: Intersystem Sales	1,283,222	1,142,259	2,234,339	2,081,635	909,046	2,008,301
Total Fuel Costs	18,887,544	15,716,373	22,028,216	27,427,078	30,783,844	28,060,566
Total System KWH Sales Excluding Intersystem Sales	1,437,071,282	1,367,134,841	1,413,871,047	1,818,080,064	2,107,653,190	2,020,653,219
\$/KWH Sales	0.013143	0.011496	0.01558	0.015086	0.014606	0.013887
Less: Base	0.012850	0.01285	0.01285	0.01285	0.01285	0.01285
Fuel Adjustment Per KWH	0.00029	(0.00135)	0.00273	0.00224	0.00176	0.00104
Unbilled Revenue KWH Sales	1,334,926,622	1,273,284,560	1,302,473,522	1,685,503,538	1,970,534,441	1,884,772,910
Deferred Fuel Entry	387,129	(1,718,934)	3,555,753	3,775,528	3,468,141	1,960,164
February 1998 - (1)	(596,797)					
Cumulative (Over)/Under Recovery	(209,668)	(1,928,602)	1,627,151	5,402,679	8,870,820	10,830,984

Note:

- (1) Staff's cumulative over-recovery balance brought forward from February 1998 of \$596,797 differs from the Company's beginning cumulative over-recovery balance (from February 1998) of \$1,568,504 by \$971,707. This cumulative difference was based on Staff's corrections to Fossil Fuel Burned Costs, Nuclear Fuel Costs and Purchased Power Costs for several months, as reflected in the last fuel review period. It should be noted that the Company, in its testimony, reflects this cumulative correction of \$971,707 in May 1998.
- (2) Staff's Purchased Power figures for March 1998, April 1998 and November 1998 differ from the Company's figures. Staff's figures, per Staff's report, reflect corrections for miscalculations made to purchased power costs. As a result of Staff's corrections, the difference between the Company's and the Staff's cumulative under-recovery balances as of actual February 1999 and as of estimated April 1999 is \$12,733. It should be noted that the Company will true-up this difference, on a per books basis, by the next fuel review period.
- (3) The monthly over-recovery figures for November 1998, December 1998 and January 1999, respectively, consists of November 1998's over-recovery amount of \$459,480 and a Company true-up adjustment of \$94,968 to the deferred fuel account (for corrections for previous months KWH Sales); December 1998's over-recovery amount of \$4,351,200 and a Company true-up adjustment of \$359,536 to the deferred fuel account (for corrections for a previous month's KWH Sales); and January 1999's over-recovery amount of \$1,416,650 and a Company true-up adjustment of \$640,419 to the deferred fuel account (for revised corrections for previous months KWH Sales and for a correction for a previous month's nuclear fuel costs).

South Carolina Electric & Gas Company
Computation of Unbilled Revenue
March 1998 - April 1999

	ACTUAL					ESTIMATED			
	September 1998	October 1998	November 1998	December 1998	January 1999	February 1999	March 1999	April 1999	
Fossil Fuel Burned	18,226,093	16,470,340	14,273,053	9,172,594	14,056,428	11,342,830	11,882,000	16,003,000	
Nuclear	2,174,805	2,251,447	2,179,625	2,194,408	2,214,620	2,018,591	2,093,000	216,000	
Purchase & Interchange Power (2)	5,621,791	1,546,061	1,611,311	2,909,622	5,789,571	5,211,769	6,353,000	6,468,000	
Sub-total	26,022,689	20,267,848	18,063,989	14,276,624	22,060,619	18,573,190	20,328,000	22,687,000	
Less: Intersystem Sales	2,535,548	474,448	286,111	1,222,391	1,618,670	896,784	1,286,000	742,000	
Total Fuel Costs	23,487,141	19,793,400	17,777,878	13,054,233	20,441,949	17,676,406	19,042,000	21,945,000	
Total System KWH Sales Excluding Intersystem Sales	1,950,290,949	1,622,531,709	1,422,106,055	1,384,433,134	1,708,800,335	1,353,370,833	1,543,000,000	1,482,000,000	
\$/KWH Sales	0.012043	0.012199	0.012501	0.009429	0.011963	0.013061	0.012341	0.014808	
Less: Base	0.01285	0.012850	0.01285	0.01285	0.01285	0.01285	0.01285	0.01285	
Fuel Adjustment Per KWH	(0.00081)	(0.00065)	(0.00035)	(0.00342)	(0.00089)	0.00021	(0.00051)	0.00196	
Unbilled Revenue KWH Sales	1,830,569,821	1,514,775,154	1,312,798,988	1,272,280,747	1,591,741,686	1,246,326,343	1,460,000,000	1,402,000,000	
Deferred Fuel Entry (3)	(1,482,762)	(984,604)	(554,448)	(4,710,736)	(2,057,069)	261,729	(744,600)	2,747,920	
August 1998 - (p. 1 of 2)	10,830,984								
Cumulative (Over)/Under Recovery	9,348,222	8,363,618	7,809,170	3,098,434	1,041,365	1,303,094	558,494	3,306,414	

(Explanation for Notes (2) and (3) are on Page 1 of 2.)